

**From:** "Bill Cassity" <bcassity@rsb.net> on 04/19/2004 11:00:04 AM  
**Subject:** Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

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Dear Federal Reserve:

Thank you for giving me the opportunity to contact on the consumer lending regulatory burden. My biggest complaint in consumer lending is the trend towards more and more disclosure forms for consumers, especially related to real estate lending. The large number of pages for consumers to review and often sign are watering down the effectiveness of the disclosures. Most consumers (if not all) are simply asking where to sign and do not want to hear all of the details of each disclosure. I would strongly urge you to reduce the disclosure required to one page of material emphasizing the highlights of consumer lending as protects the consumer. This could be supplemented with an expanded "Your guide to settlement costs" booklet for 1-4 family residential loans only. I would envision a Reg Z disclosure page with comments about loan servicing, appraisal rights, flood requirements, etc.

My second comment is concerning the Right of Rescission. One of the most burdensome requirements is the three-day right of rescission under Regulation Z. Our bank has NEVER had a consumer exercise the right. Consumers always resent having to wait three additional days to receive loan proceeds after the loan is closed, and they often blame the bank for "withholding" their funds. Even though this is a statutory requirement, inflexibility in the regulation making it difficult to waive the right of rescission aggravates the problem. If not outright repealed, Lenders should be given the option to notify the consumer of the right to rescind at the time of application. The three day period should start at that time. This would allow most consumers to receive the proceeds on the date of closing. Not after three days which in many cases, (especially when a loan is closed on a Friday) is nearly a week later. Moving to the application time still allows the consumer to think about the transaction and make sure they are aware they are obligating their home.

Thank you for the opportunity to comment on this critical issue.

Sincerely,

Bill Cassity